GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:355
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Employment in Food Processing
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Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether it is a fact that Food Processing is one of the major employment intensive industries in the country and if so, the details thereof;

(b) the details of employment opportunities generated during the last three years, year-wise;

(c) whether the Government is taking any measures to increase the employment generation capacity by promoting both domestic and foreign investment in food processing sector; and

(d) if so, the details thereof and the investment made by both domestic and foreign entities in the sector during the last three years, year- wise?

Answer

(a)&(b): As per the Annual Survey of Industries 2014-15 conducted by Central Statistics Office, Ministry of Statistics and Programme Implementation, Food Processing is one of the major employment intensive industries constituting 12.77 per cent of employment generated in all manufacturing factories registered under Factories Act 1948. The total number of persons engaged in such food processing industries was 17.73 lakh in 2014-15. As per the NSSO 67th Round, 2010-11, total number of persons engaged in unincorporated enterprises of food processing industries was 47.9 lakh. The details of employment generated during the last three years, year-wise are as follows:

Year 2012-13 2013-14 2014-15
Persons (in lakh) 16.89 17.41 17.73
Source: Annual Survey of Industries, Central Statistics Office, Ministry of Statistics and Programme Implementation

(c)&(d): As per the extant Policy, FDI up to 100%, under the automatic route, is allowed in food processing industries. Also, 100% FDI is permitted under Government approval route for trading, including through e-commerce, in respect of food products manufactured and/or produced in India. To encourage the development of food processing industries, Government has provided various fiscal incentives in terms of exemption of taxes. A special fund of Rs. 2000 crore has also been created with NABARD to provide affordable credit to entrepreneurs for setting up of food processing units in designated Food Parks. Food and agro-based processing units and cold chain infrastructure have been classified under agriculture activities for Priority Sector Lending (PSL). As per the Annual Survey of Industries conducted by Central Statistics Office, Ministry of Statistics and Programme Implementation, the Invested Capital in Food Processing Industries registered under Factories Act 1948 during the last three years is as follows:
Year 2012-13 2013-14 2014-15
Invested Capital (Rs. Crore) 3,11,977.3 3,31,925.9 3,68,443.6
Source: Annual Survey of Industries, Central Statistics Office, Ministry of Statistics and Programme Implementation

According to the data provided by the Department of Industrial Policy and Promotion (DIPP), the year-wise details of Foreign Direct Investment (FDI) equity inflows received in food processing industries sector are as follows:

Year 2014-15 2015-16 2016-17
FDI Equity inflows
(US $ Million) 515.86 505.88 727.22
Source: Department of Industrial Policy & Promotion